

## Where to Apply?

People who are already getting Social Security or Railroad Retirement benefits are automatically enrolled when they become eligible for Medicare. Others must go to their local Social Security office and apply.

## MEDICAID

Medicaid is a health insurance program for certain low-income people. It is funded and administered through a state-federal partnership. Although there are broad federal requirements for Medicaid, states have a wide degree of flexibility to design their program. States have authority to:

- establish eligibility standards;
- determine what benefits and services to cover;
- set payment rates.

## Who Qualifies?

On any given day, there are about 33 million people who are eligible for Medicaid. These people include: certain low-income families with children; aged, blind or disabled people on Supplemental Security Income; certain low-income pregnant women and children; and people who have very high medical bills.

## What are the Benefits?

Because states have flexibility in structuring their Medicaid programs, there are variations from state to state. All states, however, must cover these basic services: inpatient and outpatient hospital services; laboratory and X-ray services, skilled nursing and home health services, doctors' services; family planning; and periodic health checkups, diagnosis and treatment for children.

## Where to apply?

People can generally apply for Medicaid at local welfare or social service offices. Many

states have now made it possible to apply in other locations, such as hospitals and public health clinics, or in some cases by mail.

## CHILDREN'S HEALTH INSURANCE PROGRAM

HCFA, along with the Health Resources and Services Administration, runs the Children's Health Insurance Program. Program benefits became available October 1, 1997, and will provide \$24 billion in federal matching funds over 5 years to help states expand health care coverage to as many as 5 million of the nation's uninsured children.

## Who Qualifies?

States set eligibility and coverage, following broad federal guidelines. States also have flexibility in the way they provide services. Recipients in all states must have low incomes, be otherwise ineligible for Medicaid, and be uninsured.

## What are the Benefits?

State programs differ, but all states must cover at least these services: inpatient and outpatient hospital services, doctors' surgical and medical services, laboratory and X-ray services, and well baby/child care, including immunizations. Some states may provide additional benefits. Benefits are not yet available in all States.

## Where to Apply?

People can apply for Children's Health Insurance Program benefits at state welfare offices, state public health departments, and state social service agencies.



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## at a Glance



*The Nation's Largest  
Insurance Provider*

**Medicare, Medicaid,  
and the Children's  
Health Insurance  
Program**



The Health Care Financing Administration (HCFA) is a federal agency within the U.S. Department of Health and Human Services. HCFA runs the Medicare and Medicaid programs — two national health care programs that benefit about 75 million Americans. And with the Health Resources and Services Administration, HCFA runs the Children's Health Insurance Program, a program that is expected to cover many of the approximately 10 million uninsured children in the United States.

## ADDITIONAL RESPONSIBILITIES

HCFA also regulates all laboratory testing (except research) performed on humans in the United States. Approximately 158,000 laboratory entities fall within HCFA's regulatory responsibility. And HCFA, with the Departments of Labor and Treasury, helps millions of Americans and small companies get and keep health insurance coverage and helps eliminate discrimination based on health status for people buying health insurance.

## RUNNING THE PROGRAMS

HCFA spends over \$360 billion a year buying health care services for beneficiaries of Medicare, Medicaid and the Children's Health Insurance Program. HCFA:

- assures that the Medicaid, Medicare and Children's Health Insurance Programs are properly run by its contractors and state agencies;
- establishes policies for paying health care providers;
- conducts research on the effectiveness of various methods of health care management, treatment, and financing; and

- assesses the quality of health care facilities and services and takes enforcement actions as appropriate.

## AREAS OF SPECIAL FOCUS

### *Fighting Fraud and Abuse*

HCFA has a comprehensive program to combat fraud and abuse. Working with other federal departments and state and local governments, HCFA takes strong enforcement action against those who commit fraud and abuse, protects taxpayer dollars, and guarantees security for the Medicare, Medicaid and Child Health Insurance Programs.

### *Quality Assessment and Performance Improvement*

HCFA is improving the quality of health care provided to Medicare, Medicaid and Child Health Insurance Program beneficiaries. Quality improvement is based on:

- developing and enforcing standards through surveillance;
- measuring and improving outcomes of care;
- educating health care providers about quality improvement opportunities; and
- educating beneficiaries to make good health care choices.

## AGENCY STRUCTURE

Agency staff working in the Baltimore, Maryland headquarters and in 10 regional offices nationwide oversee HCFA programs. The headquarters staff are responsible for national program direction. The regional office staff provide HCFA with the local presence necessary for quality customer service and oversight.

The three major HCFA programs are briefly outlined on the following pages.

## MEDICARE

### *Who Qualifies?*

HCFA runs Medicare, the nation's largest health insurance program, covering over 38 million Americans at a cost of just under \$200 billion. Medicare provides health insurance to:

- people who are at least 65 years old;
- people who are disabled; and
- people with permanent kidney failure.

### *What are the Benefits?*

Medicare has two parts: Hospital Insurance (Part A) and Medical Insurance (Part B).

Medicare Part A helps pay for inpatient hospital services, skilled nursing facility services, home health services, and hospice care.

Medicare Part B helps pay for doctor services, outpatient hospital services, medical equipment and supplies, and other health services and supplies.

### *Many Choices for Getting Benefits*

Many Medicare beneficiaries choose to enroll in managed care plans like Health Maintenance Organizations (HMOs). They can get both Part A and Part B benefits in most managed care plans. In addition to the typical HMO, other options are available, including Preferred Provider Organizations.

Beginning in 1999, Medicare beneficiaries will have more choices. New choices include HMOs with or without point-of-service options; provider sponsored organizations (closed networks operated by providers); private fee-for-service plans; and medical savings accounts.